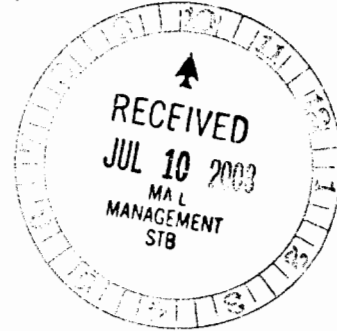


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THOMAS F. MCFARLAND

July 9, 2003



By UPS overnight mail

Mr. Troy Brady  
Section of Environmental Analysis  
Surface Transportation Board  
1925 K Street, N.W., Suite 500  
Washington, DC 20006

Re: Proposed construction of connecting track at Peoria, IL

Dear Troy:

In preparation for the "kickoff" telephone conference that we have discussed in conjunction with the above project, I am hereby transmitting a detailed description of the project accompanied by prints showing the project and the surrounding track configuration.

I would appreciate it if you would contact me after you have reviewed the description so that we can schedule the kickoff conference for an early date.

Very truly yours,

Thomas F. McFarland  
*Attorney for the City of Peoria, Illinois*

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cc: Kevin Seals )  
Randy Ray ) w/copy of description  
Marvin Shoop ) (Exhibit B omitted)

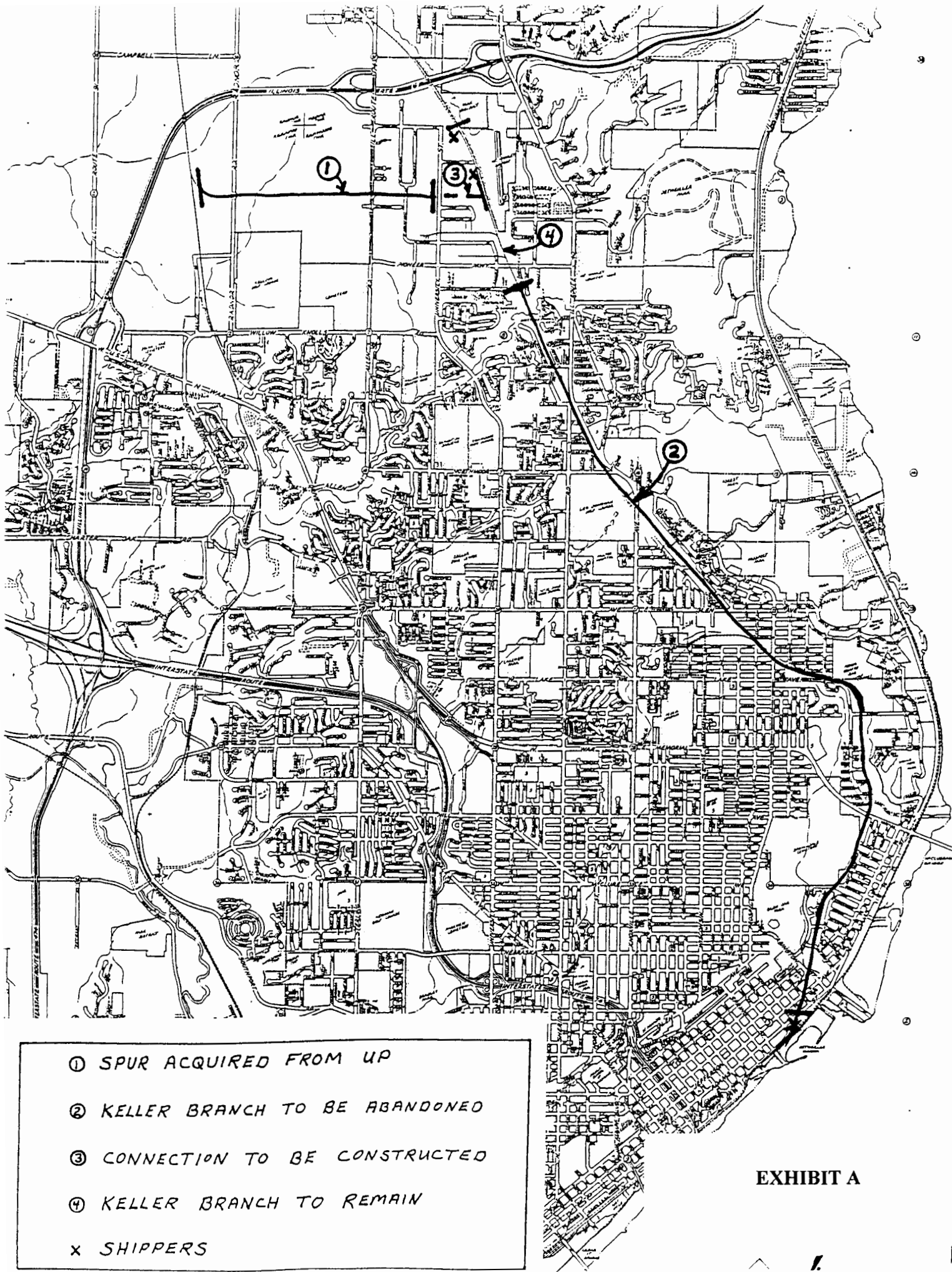


EXHIBIT A

### **Description of the Track Construction Project**

The City of Peoria, Illinois, is proposing to construct approximately 1,800 feet of track over land that it owns or over which it has an easement for railroad purposes, in order to connect a segment of track that it recently purchased from Union Pacific Railroad Company (UP) with trackage that it acquired many years ago from the bankrupt Chicago, Rock Island and Pacific Railroad Company (Rock Island).

The former UP segment is approximately 1.9 miles long. It connects at its west end with a UP main line that extends in a generally north-south direction between Nelson, IL and St. Louis, MO. It was acquired by the City of Peoria by notice of exemption in STB Finance Docket No. 34066, *City of Peoria, IL -- Acquisition and Operation Exemption -- Union Pacific Railroad Company*, served July 25, 2001. No active shippers are currently located on that segment.

The former Rock Island segment is known as the Keller Branch. It is 8.29 miles long. It was acquired by the City of Peoria in 1984 from the Rock Island Trustee after its abandonment. It connects at its east end with a rail line of the Peoria & Pekin Union Railway Company (P&PU). P&PU initially operated the Branch pursuant to lease from the City of Peoria. *See Peoria and Pekin Union Railway Company -- Exemption from 49 U.S.C. 10901*, 1984 ICC LEXIS 275, ICC Finance Docket No. 30545, notice of exemption dated Sept. 18, 1984. Thereafter the Village of Peoria Heights, Illinois acquired a 25-percent interest in the Branch, at which time ownership was referred to under the doing-business-as designation of Peoria, Peoria Heights & Western Railroad (P,PH&W). In 1998, the Branch began to be operated by its current operator, Pioneer Industrial Railway Co. (Pioneer), pursuant to an assignment of P&PU's lease from the City of Peoria, consented to by the Village of Peoria Heights. *See Pioneer Industrial*

*Railway Co. - Lease and Operation Exemption - Peoria, Peoria Heights & Western Railroad*, 1998 STB LEXIS 1417, STB Finance Docket 33549, notice of exemption served Feb. 20, 1998. There are three active shippers located on the Branch, two of which are located near its northwestern end and one of which is located near its southeastern end.

After the proposed construction of connecting trackage is completed, it is proposed that the two shippers located near the northwestern end of the Branch be served from the west by a rail carrier with whom the City of Peoria and the Village of Peoria Heights would enter into an operating agreement. It is proposed that at that time the shipper located near the southeastern end of the Branch be served from the southeast by the same or a different rail operator. It is proposed that the approximate 7.5 miles of the Branch that no longer would be required for the provision of rail service to shippers be railbanked and used for a recreational trail following its approval for abandonment. The trail would be supervised by the Peoria Park District. The trail would connect the Pimetoui Trail at the Peoria riverfront with the Rock Island Trail near Alta, IL.

Exhibit A submitted with this description illustrates the proposals identified above. Reference 1 on the exhibit is to the former UP trackage recently acquired by the City of Peoria. Reference 2 to is to the 7.5 miles of the Keller Branch that is proposed to be authorized for abandonment, railbanked and converted to a recreational trail on an interim basis. Reference 3 is to the proposed 1,800-foot construction of connecting trackage. Reference 4 is to the portion of the Keller Branch that would remain in place after being connected with the former UP line. The Xs on the exhibit denote the locations of the active shippers.

Exhibit B submitted with this description is a set of plans for the proposed track construction that was prepared by the City of Peoria's consultant, Hanson Professional Services,

Inc. Exhibit B provides detailed illustrations of the proposed track construction project.

Exhibit C submitted with this description is a copy of an order of the Illinois Commerce Commission entered on December 7, 2001 in its Docket No. T01-0045, *The City of Peoria v. Union Pacific Railroad Company, et al.*, granting permission for the proposed new trackage to cross University Avenue in Peoria at grade. Exhibit C contains helpful background information. However, some information is outdated, such as the number of shippers to be served from the west after the proposed track construction.

Tom McFarland  
7-9-03